

## Timeline of Budget and Invoicing Events – Department of Justice Monitor

Prepared by the City Budget Office – March 1, 2013

Date	Item	Attachment
9/8/12	LAW and the DOJ received a letter of interest from Merrick Bobb. They received letters of interest from other interested parties, as well. These letters did not include the applicants' proposed budgets. Law forwarded all of the proposals to the Monitor selection team composed of staff from LAW, the Mayor's Office, CBO, and SPD (selection team) for review.	1
9/17/12	LAW, in collaboration with the DOJ and the selection team, issued requests for supplemental information to pre-screened potential Monitor candidates based on the submitted letters of interest, including detailed instructions about how to submit a proposed budget and a sample template to demonstrate how candidates should display the requested information.	2
9/24/12	The selection team received supplemental information from Mr. Bobb, and the other candidates. Mr. Bobb did not provide any budget details in his supplemental information. Instead his response indicated that he could not predict the cost, but that it was "unlikely that the annual cost of the monitoring would reach seven figures under optimistic assumptions about cooperation." Other candidates included budget submittals with their supplemental packages and were considered responsive to this request.	3
9/25/12	The selection team conducted a phone interview with Mr. Bobb and four other final candidates in late September. When asked about challenges with budgeting, Mr. Bobb referenced that cooperation was a factor in determining budget, but because PARC is a non-profit entity his costs are lean.	4
10/10/12	The selection team held in-person interviews with and without the Department of Justice with Mr. Bobb and three remaining candidates from October 8-12, 2012. When asked in the City only meeting about his budget, Mr. Bobb estimated an annual cost of about \$850,000.	5
10/12/12	Joint meeting occurred regarding Monitor selection including Councilmembers Clark, Licata, Harrell, and Burgess, the Mayor and his staff, the Chief of Police and his staff, and the City Attorney and his staff, and a CBO representative. A summary of budget proposals was discussed. Mr. Bobb had not provided a detailed budget prior to this discussion.	6
10/22/12	The City Council passed a resolution recommending Mr. Bobb as the Monitor (Resolution #31414). The City still lacked detailed budget information from Mr. Bobb.	7
10/30/12	Mr. Bobb is appointed as the Monitor. ¶1208 of the Settlement Agreement provided that, "prior to appointment, the Monitor will provide the Parties with a detailed budget and staffing proposal." The Monitor did not provide detailed information or formal budget prior to his appointment.	N/A
11/1/12	LAW had a follow-up call with the Monitor to discuss the budget; additional team members and Joe Brann; and the schedule for the following week's meeting.	8

Timeline of Budget and Invoicing Events - Department of Justice Monitor

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11/19/12	LAW received a two-page budget from Mr. Bobb and forwarded it to representatives from LAW, the Mayor's Office, SPD, and CBO. Per ¶1208, "The proposal will describe the qualifications of all the persons or entities to be hired or employed by the Monitor as well as the monitoring tasks that they will perform." The budget submitted did not provide any detail on the tasks to be performed.	9
11/20/12	LAW, Mayor's Office staff, and CBO discussed how to respond to the budget proposal via email and identified clarifying questions. In order to provide guidance to the Monitoring team with regard to expenditures and budget, the City would provide the Consultant Contract Standard Agreement language for expenditures and a detailed task budget template. This template was tailored for Mr. Bobb and was based on the agreements main components and was more detailed than the one previously requested during the supplemental request for information (see 9/17/12). The City did not draw up a contract with Mr. Bobb. The City provided to Mr. Bobb the standard guidelines from contracts as a guide to how costs should be submitted and would be reviewed.	10
11/20/12	LAW sent an email to Mr. Bobb to clarify some points on the submitted budget and included the task budget and travel guidelines. Mr. Bobb provided the requested clarification on his budget via email; however, he indicated that it was "too early to tell" if any of his travel expenses would deviate from the Contract Guidelines. With regard to the detailed task template, he responded, "I have provided task descriptions and cannot state matters with any greater specificity at this time."	11
11/21/12	Mr. Bobb submitted his two-page budget to the Court without further discussion of the task detail requested by the City or City approval of the budget.	12
11/21/12	LAW staff, Mayor's Office staff, and CBO discussed whether the City should speak with the Court about the timing of Mr. Bobb's budget submittal and when the Judge would approve the budget. The Court confirmed that it would not approve the budget before the status conference the following week.	13
11/26/12	Mr. Bobb submitted a correction to his budget increasing the hourly rate of Ian Warner from \$200 to \$250 calling it a blended rate for him and Peter Ehrlichman (\$250 per hour), though the blended rate of \$250 and \$200 would have been \$225. Mr. Bobb did not provide any additional details about the specific tasks, as requested by the City.	14
11/28/12 (Date of the status hearing with the Court in the PM)	The Mayor, LAW, CBO, SPD team met with Mr. Bobb and his staff to discuss the Monitor's budget prior to meeting with the Judge. Jean Boler from LAW presented Mr. Bobb with an example of another applicant's budget which provided the kind of task detail the City was seeking. Mr. Bobb slid the example back towards Ms. Boler and indicated he would not be following this approach.	N/A

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12/5/12	The Monitoring team submitted their November invoice to LAW, which was then forwarded to CBO for review. This invoice was for \$84,489.20, including \$69,765.00 for billable hours and \$14,814.20 for overhead expenses. The Law Department designated CBO as the entity that would be responsible for reviewing the invoices. The SPD Compliance Coordinator was also designated by LAW to review the hours for accuracy. According to the procedures LAW laid out, LAW would be responsible for receiving input from CBO and the Compliance Coordinator and would compile that input into a response to the Monitor. Per the Settlement Agreement, the City has 30 days from receipt of the invoices to review invoices and give approval. ¶210, “before submitting a monthly statement to the Court, the Monitor will submit the monthly statement to the Parties. The Parties will review such statements for reasonableness...but in no case more than 30 days after submission of the statements by the Monitor, the Parties will notify the Monitor of their approval of the statement.”	15
12/6/12	CBO notified LAW preliminarily via email that there were billing discrepancies that needed to be worked out before CBO would approve the invoice. This same day, DOJ approved the invoice for payment.	16
12/7/12	The Monitor called LAW to express their anxiousness about getting payment for the invoice. LAW told the Monitor that the City was compiling a list of concerns, but that it would approve payment and that the City would work with the Monitor to address the issues of concern at a later time.	17
12/7/12	CBO informally expressed concern about approving the invoice before receiving policy and legal guidance from LAW about how to address invoice costs that did not comply with City policies.	17, 18
12/10/12	Monitor called again asking that the bill be approved for payment.	19
12/10/12	CBO sent LAW a memo outlining the concerns it identified with the November invoice and asking the Law Department for guidance on a number of questionable items for which there is not a direct City policy on how to handle the payment. LAW never provided a formal response to the requests for guidance described in this memo.	20
12/12/12 3:39pm	At the direction of the City Attorney, LAW approved the November invoice for payment, including payment on all items for which CBO raised questions. The Law Department asked the Monitor via email to give the City a credit on its next invoice for any of the questioned charges that were submitted in error. The Law Department also reminded the Monitor to refer to the City invoice guidelines provided to them on November 20 <sup>th</sup> .	21
12/12/12 3:52 pm	LAW sent an email to the Monitoring team asking them to look into specific issues highlighted in the CBO memo. LAW requested a phone call with the Monitor the following week to talk about billing going forward.	22
12/14/12	LAW and CBO talked internally about what correct receipts should look like and about one of the higher priced hotel stays on the November invoice (3 nights for two people cost over \$1100).	23

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12/19/12	<p>LAW and CBO had a phone conversation with Nick Armstrong from the Monitoring team regarding the billing issues including: organization of the invoice; the need for proper receipts for hotel stays; the need for proper receipts for restaurants that itemize expenses rather than credit card receipts with no detail; the prohibition of reimbursement for alcohol; and the need for complete, legible receipts.</p> <p>LAW and CBO requested that the Monitor provide the backup billing detail by task for PARC staff and subcontractors. Subcontractor back-up is required per the City guidelines provided to the Monitor on November 20<sup>th</sup>. LAW and CBO also asked that the Monitor not purchase computer equipment for this project because SPD could loan them equipment that complies with the City's security guidelines and because the City should not be purchasing assets for the Monitor's company. The Monitor agreed to all of these requests on invoices going forward from the date of the call, however, they would not provide hourly breakdowns of the tasks for PARC employees which include Mr. Bobb and his direct employees.</p>	N/A
12/31/12	CBO checked in with the Monitoring team to see if they had received payment from the Court. They had not.	24
1/3/12	CBO received Court approval for payment from LAW and forwarded it to Accounting to replenish the Court account as required by ¶209. "Within 45 days of the entry of each Order directing payment, the City will replenish the fund with the full amount paid by the clerk in order to restore the fund's total to \$100,000.00."	25
1/15/13	The Monitoring team submitted a baggage receipt missing from the November invoice to resolve this outstanding issue. This was a charge that was billed without documentation in the November invoice. The Monitor also acknowledged that it would credit the City \$440.97 on the December invoice to reflect a duplicate hotel charge. The other questionable charges on the November invoice identified by CBO in its 12/10/12 memo remained unresolved because the Monitoring team indicated they did not have the requested documentation available.	26
1/15/13 1:17pm	The Monitor submitted its December invoice to LAW. LAW forwarded it to the Compliance Coordinator and CBO for review on 1/16/13. This invoice was for \$58,428.01, including \$52,152.50 for billable hours, \$6,716.48 for overhead expenses, and a credit of \$440.97 for overbilled hotel charges on the November invoice.	27
1/15/13 5:01pm	The Monitoring team sent an email requesting that the City approve payment for the December invoice by noon on Friday January 18 <sup>th</sup> because there were "delays in the payment of our first invoice." LAW approved the first invoice in 7 days from the receipt of the first invoice, well within the 30 day requirement and agreed to resolve issues after approval in an effort to assist the Monitor. The Court only has to make a "timely payment" which is not within the City's control (¶209). LAW forwarded this email and indicated that we have 30 days.	28
1/16/13	LAW requested a conference with CBO regarding a number of issues on the December invoice. LAW had provided CBO with a copy of the invoice that morning. CBO was still in the process of reviewing the invoice at the time of the request for a conference call.	29

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1/16/13	LAW called the Monitoring team and followed-up with an email indicating that the City (LAW and CBO) would like to have a call with them regarding the issues identified with the December bill.	30
1/17/13 8:45am	LAW, CBO, and Monitor staff had a conference call to discuss issues identified with the December invoice. Nick Armstrong and Melissa Tobin from the Monitor team expressed an understanding about the concerns and indicated on which items they would adjust the invoice. They indicated that the Monitor determined that hourly breakdowns for sub-contractors would not be provided. The tone of the conversation was amicable.	35
1/17/13 9:31am	LAW sent the Monitoring team and DOJ a follow-up email following the call the memorialized the items that would be removed from the invoice per the aforementioned conference call.	31
1/17/13 11:50am	The Monitor sent an email regarding the call that took place that morning. The email noted, "we decline in the future to go through the humiliating, time-consuming, and obstructionist process we went through this morning where we were required to justify each pillowcase in the Seattle apartment, a toolkit to put together furniture bought at IKEA, or a \$5.99 corkscrew, among other trivialities." The email goes on to say, "I'm not certain we can currently say we are getting cooperation from the city regarding the monitoring or movement toward full and effective implementation of the consent decree."	32
1/17/13 5:25 pm	The Monitoring team provided LAW a corrected invoice for December removing the alcohol, corkscrew, and Fed Ex charge for rushing the check from the Court because payment was not delayed beyond the Settlement Agreement terms. The revised December invoice included sub-contractor billing detail but no hourly details for Mr. Bobb or PARC staff. LAW did not forward this revised invoice to CBO until 2/26/13 resulting in an overpayment to the Court registry of approximately \$52.	33
1/18/13	LAW FYI'd CBO on the apology email that it sent to Mr. Bobb in response to his January 17, 2013 email.	34
1/18/13	CBO consulted with LAW on the notes that were taken during the January 17, 2013 phone call to make sure that there was no misunderstanding of the City's intent with the the call. LAW notified CBO that Peter Holmes approved payment of the December invoice in the morning of 1/18/13.	35
1/22/13	CBO received Court approval for payment from LAW and forwarded it to Accounting to replenish the Court account as required by ¶209 of the Settlement Agreement.	36
2/4/13	The Monitoring team submitted their January invoice to LAW. LAW forwarded the invoice to CBO on 2/5/13. This invoice was for \$69,669.04, including \$60,720.00 for billable hours and \$8,949.04 for overhead expenses. This invoice did not include hourly billing detail for Mr. Bobb, PARC staff, or sub-contractors.	37
2/5/12	CBO sent LAW a list of concerns related to the January invoice. Some of these issues were similar issues to the ones brought up previously with the Monitoring team during the review of the November and December invoices, including requested payments for alcohol, illegible receipts, credit card receipts instead of itemized receipts, and no receipt for van rentals.	38

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2/6/13	LAW asked CBO if reimbursement for the Comcast bill allowed by policy. CBO responded via a phone call to indicate that there was no policy on the provision of cable television, but it seemed like a reasonable expense given that hotels provide basic cable and the bill includes internet which can be used for working from the apartment.	39
2/5/13	CBO and LAW emailed about the use of a per diem rates and the policies surrounding per diem reimbursement. The Monitoring team had inquired to LAW about the use of a per diem rate for reimbursement of expenses rather than providing itemized receipts.	40
2/6/13	LAW had a conference call with the Monitoring team without the involvement of CBO but included the lawyers from DOJ at their request.	N/A
2/6/13	LAW communicated the per diem guidelines to the Monitoring team per CBO input on 2/5/13.	41
2/6/13	The Monitoring team submitted a revised January invoice per the 2/6/13 call with LAW and DOJ. LAW identified that the Monitor team had still not fixed all of the issues that were highlighted during the call, including removing City employees names from the receipts and a baggage receipt that contained a non-monitor team name submitted for a team member	42
2/7/13	The Monitoring team submitted a revised January invoice because they found more receipts that should have been included in the original submittal.	43
2/8/13	CBO expressed concern over a baggage fee for an individual who was not a member of the Monitoring team that was included on the January invoice for reimbursement.	44
2/8/13	LAW spoke with the Monitoring team about the baggage fees and other remaining concerns. The Monitoring Team submitted a final invoice which removed the baggage fee and City employee names. This final January invoice was for \$69,867.49, including \$60,720.00 for billable hours and \$9,147.49 for overhead expenses. This final invoice lacked hourly task detail for Monitoring team members and sub-contractors.	45
2/8/13	CBO expressed concern about approving select meal receipts from the January invoice as they did not provide an itemized accounting of what was purchased, as required by the City travel policies. LAW approved the invoice.	46
2/11/13	CBO received Court approval for payment from LAW and forwarded it to Accounting on 2/13/13 to replenish the Court account as required by ¶209 of the Settlement Agreement.	47
2/15/13	LAW, CBO, and the Monitoring team had a conference call to answer questions about the use of a per diem as a mechanism for reimbursement and how that type of reimbursement would be billed if the Monitor team chose to go forward with that type of meal billing procedure.	N/A
3/1/13	CBO continues to calculate the total amount of the outstanding billing item that have not been resolved to date from the November, December, and January invoices.	N/A